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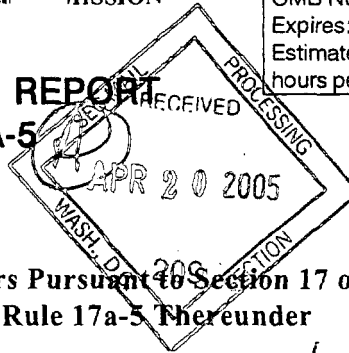
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OMB APPROVAL

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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III



SEC FILE NUMBER

8-53091

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
 Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING

01/01/04

MM/DD/YY

AND ENDING

12/31/04

MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Berchwood Partners LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

599 Lexington Avenue, Suite 2750

(No. and Street)

New York

(City)

NY

(State)

10022

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

David W. Berchewer

212 201 3933

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Anchin Block & Anchin LLP

(Name - if individual, state last, first, middle name)

1375 Broadway

(Address)

New York

(City)

NY

(State)

10018

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAY 06 2005

SC

THOMSON
FINANCIAL

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of
 information contained in this form are not required to respond
 unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, David Beechenbriter, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Beechwood Partners LLC, as of December 31, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

none

WILLIAM J. ZWART
Notary Public, State of New York
No. 022W6017634
Qualified in New York County
Commission Expires: 12/14/06

William J. Zwart
Notary Public

David Beechenbriter

Signature

Member
Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of ~~Income (Loss)~~ Operations
- ☒ (d) Statement of Changes in ~~Financial Condition~~ changes in cash flows
- ☒ (e) Statement of Changes in ~~Stockholders' Equity or Partners' or Sole Proprietors' Capital~~ Members Equity
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 ~~and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3~~
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

BERCHWOOD PARTNERS LLC AND AFFILIATE

CONSOLIDATED ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2004

BERCHWOOD PARTNERS LLC AND AFFILIATE

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DECEMBER 31, 2004

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Established 1923

Anchin, Block & Anchin LLP
Accountants and Consultants

1375 Broadway
New York, New York 10018
(212) 840-3456
FAX (212) 840-7066

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS AND DIRECTORS OF BERCHWOOD PARTNERS LLC AND AFFILIATE:

We have audited the accompanying consolidated statement of financial condition of BerchWood Partners LLC and Affiliate as of December 31, 2004 and the related consolidated statements of operations, changes in members' equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BerchWood Partners LLC and Affiliate at December 31, 2004 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Anchin, Block & Anchin LLP
Anchin, Block & Anchin LLP

New York, New York
January 25, 2005

BERCHWOOD PARTNERS LLC AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2004

ASSETS

Cash	\$ 384,192
Cash - restricted	37,931
Fees receivable	3,551,368
Property and equipment at cost, less accumulated depreciation of \$37,985	80,050
Prepaid income taxes	18,110
Other assets	<u>42,299</u>

TOTAL ASSETS	<u>\$ 4,113,950</u>
---------------------	----------------------------

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES:

Accrued expenses	\$ 44,277
Capitalized lease payable	21,803
Deferred income taxes payable	143,000
Retirement plan contribution payable	<u>164,000</u>
 Total Liabilities	 373,080

COMMITMENTS AND CONTINGENCIES

MEMBERS' EQUITY	<u>3,740,870</u>
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TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 4,113,950</u>
--	----------------------------

See the accompanying Notes to the Consolidated Financial Statements.

BERCHWOOD PARTNERS LLC AND AFFILIATE
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2004

REVENUE:

Fee income	\$ 7,329,433
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EXPENSES:

Employee compensation and benefits	\$ 142,638	
Retirement plan contribution	164,000	
Rent	143,910	
Consulting and professional fees	167,046	
Communications and computer expenses	73,986	
Regulatory expenses	34,285	
Travel	45,757	
Dues and subscriptions	30,671	
Depreciation	19,953	
Other expenses	79,640	
Total Expenses		901,886

OPERATING INCOME

6,427,547

OTHER INCOME (LOSS):

Foreign exchange gain	193,159	
Interest income	193,034	
Writedown of note receivable	(3,926)	
Net Other Income		382,267

**INCOME BEFORE PROVISION FOR INCOME TAXES
AND MINORITY INTEREST**

6,809,814

MINORITY INTEREST IN INCOME OF CONSOLIDATED AFFILIATE

2,899

PROVISION FOR INCOME TAXES:

Current	165,000	
Deferred	95,000	
Total Provision for Income Taxes		(260,000)

NET INCOME

\$ 6,552,713

See the accompanying Notes to the Consolidated Financial Statements.

BERCHWOOD PARTNERS LLC AND AFFILIATE
CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2004

Members' Equity, January 1, 2004	\$ 1,191,025
Contribution from member	3,678
Distributions to members	(4,006,546)
Net income	<u>6,552,713</u>
Members' Equity, December 31, 2004	<u>\$ 3,740,870</u>

See the accompanying Notes to the Consolidated Financial Statements.

BERCHWOOD PARTNERS LLC AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income		\$ 6,552,713
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	\$ 19,953	
Deferred income taxes	95,000	
Increase in minority interest	2,899	
Unrealized foreign exchange gain on note receivable	(6,825)	
Writedown of note receivable	3,926	
Increase in:		
Cash - restricted	(1,179)	
Fees receivable	(2,479,873)	
Prepaid income taxes	(18,110)	
Other assets	(26,654)	
Increase (decrease) in:		
Accrued expenses	19,287	
Income taxes payable	(2,211)	
Retirement plan contribution payable	24,000	
Total adjustments	<u>(2,369,787)</u>	
Net Cash Provided by Operating Activities		<u>4,182,926</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Advance to shareholder of Affiliate	(69,581)	
Purchases of property and equipment	<u>(19,368)</u>	
Net Cash Used in Investing Activities		(88,949)

CASH FLOWS FROM FINANCING ACTIVITIES:

Decrease in capitalized lease obligation	(2,934)	
Proceeds from issuance of shares of Affiliate	69,581	
Contribution from member	3,678	
Distributions to members	<u>(4,006,546)</u>	
Net Cash Used in Financing Activities		<u>(3,936,221)</u>

NET INCREASE IN CASH

157,756

CASH:

Beginning of year	<u>226,436</u>
End of year	<u><u>\$ 384,192</u></u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Income taxes paid	\$ 186,136
Interest paid	\$ 826

See the accompanying Notes to the Consolidated Financial Statements.

BERCHWOOD PARTNERS LLC AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization:

BerchWood Partners LLC (the "Company") was organized in New York on June 8, 2000, as a limited liability company. BerchWood Partners B.V. (the "Affiliate") was organized in the Netherlands on June 10, 2004.

The Company and the Affiliate are affiliated through common management. In December 2003, the Financial Accounting Standards Board (FASB) issued FASB Interpretation Number 46R (FIN 46), Consolidation of Variable Interest Entities. The Company is required to adopt FIN 46's accounting provisions for the current year as the Affiliate was formed during 2004 and it meets the criteria for consolidation. Accordingly, for financial reporting purposes, the Affiliate's assets and liabilities are consolidated with those of the Company and the outside shareholder's interest in the Affiliate is included in the Company's financial statements as minority interest. All significant inter-company balances and transactions have been eliminated in consolidation.

Principal Business Activity:

The Company is a registered broker with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers, Inc. (NASD). The Company primarily raises capital for private equity and alternative U.S. and non-U.S. investment fund managers.

The Affiliate is in the process of registering with the Netherlands Authority for Financial Markets (AFM). The Affiliate intends to raise capital for private equity and alternative non-U.S. investment fund managers once it receives its license.

Financial Statement Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BERCHWOOD PARTNERS LLC AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Revenue and Expense Recognition:

The Company receives fees for acting as a placement agent. Non-refundable retainers for performance of these services are recognized as they become due. Additional fees for successful placement are recognized when the transaction closes.

Reimbursable expenses of \$121,719 have been fully offset against the related reimbursement income in the statement of operations.

Advertising costs are expensed as incurred. Advertising expense was \$10,006 for the year.

Fees Receivable and Allowance for Doubtful Accounts:

The Company's fees receivable are recorded at amounts billed to customers, and presented on the statement of financial condition net of the allowance for doubtful accounts, if required. The allowance is determined by a variety of factors, including the age of the receivables, current economic conditions, historical losses and other information management obtains regarding the financial condition of customers. The policy for determining the past due status of receivables is based on how recently payments have been received. Receivables are charged off when they are deemed uncollectible, which may arise when customers file for bankruptcy or are otherwise deemed unable to repay the amounts owed to the Company.

Property and Equipment:

Property and equipment are stated at cost. Depreciation is computed on straight-line and accelerated methods over the estimated useful lives of the assets.

Income Taxes:

No provision is required for federal or state taxes on the income of the Company. Under the Internal Revenue Code and similar state regulations the Company is treated as a partnership; accordingly, the income of the Company is taxed to the members. However, the Company is subject to the New York City Unincorporated Business Tax and a provision has been reflected in the financial statements. Deferred income tax expense has been recognized primarily as a result of the Company being on a cash basis for tax purposes. The Affiliate is liable for the Netherlands corporate taxes on the income it earns.

BERCHWOOD PARTNERS LLC AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Foreign Currency Translation and Transactions:

Fees receivable denominated in foreign currencies are measured at the foreign exchange rate on the transaction date. At the balance sheet date and upon settlement, the receivable is re-measured at the then current rate. Gains and losses arising from these transactions are included in income.

The accounts of the Affiliate are measured in its local currency (euros) and translated into U.S. dollars. All balance sheet accounts have been translated using the current rate of exchange at the balance sheet date. Results of operations have been translated using the average rates prevailing throughout the year and gains or losses are recognized in income. Translation gains and losses, if significant, are included in other comprehensive income.

NOTE 2 - CASH SEGREGATED UNDER FEDERAL AND OTHER REGULATIONS:

The Company is not required to maintain a special reserve bank account for the benefit of customers under Rule 15c3-3 of the Securities and Exchange Commission under Section K(2)ii of the Rule.

NOTE 3 - NET CAPITAL REQUIREMENTS:

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1.

At December 31, 2004 the Company had net capital of \$102,401, which was \$88,516 in excess of its required minimum net capital of \$13,885. The Company's ratio of aggregate indebtedness to net capital was 2.03 to 1.

NOTE 4 - FEES RECEIVABLE:

Included in fees receivable is \$3,547,368 payable in two semi-annual installments through September 2005. The original success fee of \$6,446,294 was discounted at a rate of 5%. The unamortized discount as of December 31, 2004 was \$76,361.

BERCHWOOD PARTNERS LLC AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 - COMMITMENTS AND CONTINGENCIES:

Leases:

The Company rents its office space under an operating leases expiring in 2008. The lease has escalation clauses that provide for additional rentals based on increases in real estate taxes and operating costs.

The Company is the lessee of office equipment under a capital lease expiring in 2009. At December 31, 2004 the asset of \$24,737 recorded under the capital lease is included in equipment with accumulated depreciation of \$5,772. Depreciation expense on this asset was \$4,947 for the year.

Future minimum lease payments under the noncancellable operating lease and the present value of future minimum capital lease payments as of December 31, 2004 are as follows:

	<u>Capital Lease</u>	<u>Operating Lease</u>
<u>Years Ending December 31,</u>		
2005	\$ 5,640	\$ 109,668
2006	5,640	109,668
2007	5,640	109,668
2008	5,640	100,529
2009	<u>1,880</u>	<u>-</u>
Total minimum lease payments	24,440	<u>\$ 429,533</u>
Less: amount representing interest	<u>2,637</u>	
Present value of net minimum lease payments	<u>\$ 21,803</u>	

Letter of Credit:

A letter of credit of \$36,556 was open at December 31, 2004 for the leased office space and is secured by a certificate of deposit which is reflected as restricted cash on the balance sheet.

Cash Credit Risk Concentration:

The Company maintains a bank account in the New York City metropolitan area. The excess of deposit balances reported by the bank over amounts covered by federal insurance was approximately \$248,000 at December 31, 2004.

BERCHWOOD PARTNERS LLC AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - MINORITY INTEREST:

The Affiliate was capitalized with the proceeds of a note from the Company to the sole shareholder of the Affiliate in two amounts totaling €56,000 (a total of \$69,581). The note receivable has an indefinite term, bears interest at 2% and is collateralized by the shares of the Affiliate. Additionally, the Company has a call option to acquire the shares of the Affiliate for a consideration of the higher of either the aggregate loan plus accrued interest or the fair market value of the shares. The shareholder of the Affiliate has a put option to sell and transfer the shares to the Company for a consideration of the higher of either the amount of the aggregate loan plus accrued interest or the fair market value of the shares.

The following table summarizes the change in the minority interest during the year:

	<u>Beginning contribution</u>	<u>Earnings of Affiliate</u>	<u>Value at December 31, 2004</u>
Minority Interest	\$69,581	\$2,899	\$72,480

The following table summarizes the change in the note receivable during the year:

	<u>Advance to Shareholder</u>	<u>Foreign Exchange Gain</u>	<u>Value at December 31, 2004</u>
Note Receivable	\$69,581	\$6,825	\$76,406

For financial reporting purposes, the note receivable is being offset against the minority interest on the statement of financial condition. The excess of the note receivable value of \$3,926 over the minority interest was written off against income.

NOTE 7 - RETIREMENT PLAN:

The Company maintains a retirement plan which covers all eligible members and employees. Employer contributions are discretionary.

NOTE 8 - FOREIGN OPERATIONS:

The Company's balance sheet at December 31, 2004 includes net assets of the Affiliate in the Netherlands, which total approximately \$79,000.

NOTE 8 - MAJOR CUSTOMER:

One customer, located in the United Kingdom, accounted for 88% of fees earned for the year.



Established 1923

Anchin, Block & Anchin LLP
Accountants and Consultants

1375 Broadway
New York, New York 10018
(212) 840-3456
FAX (212) 840-7066

INDEPENDENT AUDITORS' REPORT

ON

SUPPLEMENTARY INFORMATION REQUIRED BY RULE 17a-5
OF THE SECURITIES AND EXCHANGE COMMISSION

**TO THE MEMBERS AND DIRECTORS OF
BERCHWOOD PARTNERS LLC AND AFFILIATE:**

We have audited the accompanying consolidated financial statements of BerchWood Partners LLC and Affiliate as of December 31, 2004 and have issued our report thereon dated January 25, 2005. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the accompanying schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Anchin, Block & Anchin LLP
Anchin, Block & Anchin LLP

New York, New York
January 25, 2005

BERCHWOOD PARTNERS LLC AND AFFILIATE

**COMPUTATION OF NET CAPITAL PURSUANT TO UNIFORM NET CAPITAL
RULE 15c3-1 AND RECONCILIATION OF THE COMPUTATION OF NET CAPITAL
PURSUANT TO UNIFORM NET CAPITAL RULE 15c3-1 INCLUDED IN THE
COMPANY'S CORRESPONDING UNAUDITED FORM X-17A-5 PART IIA FILING
WITH COMPUTATION INCLUDED IN THE REPORT PURSUANT TO RULE 17a-5(d)**

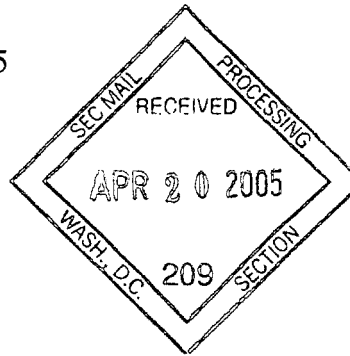
AS OF DECEMBER 31, 2004

TOTAL MEMBERS' EQUITY QUALIFIED FOR NET CAPITAL	\$ 3,740,870
ADD: ADJUSTMENTS TO NET WORTH	
Capitalized lease payable	\$ 21,803
Deferred income taxes payable	<u>143,000</u>
TOTAL ADJUSTMENTS TO NET WORTH	164,803
LESS: NONALLOWABLE ASSETS	
Cash of Affiliate	73,514
Cash - restricted	37,931
Fees receivable	3,551,368
Property and equipment, net of accumulated depreciation	80,050
Prepaid income taxes	18,110
Other assets	<u>42,299</u>
TOTAL NONALLOWABLE ASSETS	<u>(3,803,272)</u>
NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITIONS	102,401
HAIRCUTS ON SECURITIES	<u>-</u>
NET CAPITAL	102,401
MINIMUM NET CAPITAL REQUIREMENT OF 6 2/3% OF AGGREGATE INDEBTEDNESS OF \$208,277 OR \$5,000 WHICHEVER IS GREATER	<u>13,885</u>
EXCESS NET CAPITAL	<u>\$ 88,516</u>
RECONCILIATION WITH COMPANY'S COMPUTATION (INCLUDED IN PART II OF FORM X-17A-5 AS OF DECEMBER 31, 2004)	
AS OF DECEMBER 31, 2004 THERE ARE NO MATERIAL DIFFERENCES BETWEEN THE AUDITED COMPUTATION OF NET CAPITAL AND THE COMPANY'S UNAUDITED COMPUTATION OF NET CAPITAL.	
TOTAL AGGREGATE INDEBTEDNESS	<u>\$ 208,277</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL	<u>2.03 to 1</u>

See Independent Auditors' Report on Supplementary Information.

April 14, 2005

Ms. Pratibha Mirchandani
Supervisor
NASD New York District Office
One Liberty Plaza
New York, NY 10006



Dear Ms. Mirchandani:

Enclosed please find the corrected December 31, 2004 annual filing of audited financial statements made pursuant to Securities and Exchange Commission (SEC) Rule 17a-5(d) as per your April 8, 2005 request (copy attached).

As there were no material differences in the audited computation of net capital at year end, the reconciliation was removed, and the following statement was inserted at page 14: "As of December 31, 2004, there are no material differences between the audited computation of net capital and the company's unaudited computation of net capital".

As per your request, we are resubmitting these corrected copies to your office, the SEC regional office, and the SEC Washington, DC office (two copies).

Best regards,

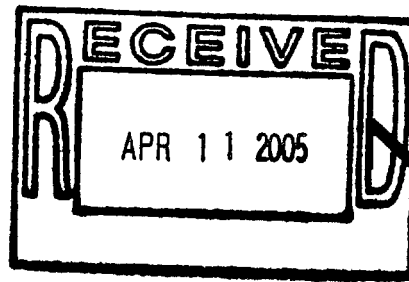
A handwritten signature in black ink, appearing to read "David W. Berchenbriter", with a long horizontal flourish extending to the right.

David W. Berchenbriter

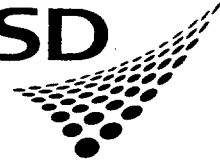
cc: Desmond Burnett
Ramona Lopez, Securities and Exchange Commission, NY Regional Office
SEC Washington, DC Office

Certified Mail

April 8, 2005



NASD



David Berchenbriter
President
Berchwood Partners, LLC
599 Lexington Avenue, Suite 2750
New York, NY 10022

Dear Mr. Berchenbriter:

This acknowledges receipt of your December 31, 2004, annual filing of audited financial statements made pursuant to Securities and Exchange Commission (SEC) Rule 17a-5(d) (the Rule). The report as submitted appears deficient in that it did not contain the following:

1. A Reconciliation, including appropriate explanations, of the audited Computation of Net Capital and the broker-dealer's corresponding Unaudited Part II or Part IIA, if material differences existed,
or
If no material differences existed, a statement so stating
SEC Rule 17a-5(d)(4).

Based on the above, your filing does not comply with the requirements of the Rule. The text of the Rule is reproduced in the *NASD Manual* under the section titled *SEC Rules & Regulation T*, and we suggest that you review it with your independent accountant.

Pursuant to the provisions of NASD Rule 8210, we request that you immediately send one copy of each item listed above to this office and to the SEC regional or district office, and two copies to the SEC Washington, D.C. office. Your submissions must include a new completed Part III Facing Page, a copy of which is enclosed for your convenience.

Please respond to this matter by April 20, 2005. If you have any questions, please contact Desmond Burnett at 212-858-4121.

Sincerely,

A handwritten signature in black ink, appearing to read "Pratibha Mirchandani".

Pratibha Mirchandani
Supervisor

Enclosure: Form X-17A-5 Part III Facing Page

cc: Ramona Lopez, Securities and Exchange Commission, NY Regional Office
Anchin, Block & Anchin LLP, Certified Public Accountant